



Small Business Health Options Program (SHOP Exchange)

Small Business Perspective

June 13, 2012

Overview

- History
- Opportunities
- Challenges
- Looking forward
- Unanswered questions

History

- **Prior to PPACA**
 - NFIB supportive of SHOP Exchange concept
- **Since passage of PPACA**
 - Actively participating at Federal/State Level during regulatory implementation
- **Future**
 - Continue to pursue reforms that lower health insurance costs, improve health insurance markets, and provide more health insurance choices for small business owners and their employees

Opportunities

- Increased health insurance choices
- Lower administrative costs
- Increased competition
- Employer/Employee Choice
- Innovative new arrangements
 - Defined-contribution health plans

Employer/Employee Choice

- STATUTE – Section 1312(a)(2)(A)-(B). CONSUMER CHOICE.
 - (A) EMPLOYER MAY SPECIFY LEVEL.— A qualified employer may provide support for coverage of employees under a qualified health plan by selecting any level of coverage under section 1302(d) to be made available to employees through an Exchange.
 - (B) EMPLOYEE MAY CHOOSE PLANS WITHIN A LEVEL.— Each employee of a qualified employer that elects a level of coverage under subparagraph (A) may choose to enroll in a qualified health plan that offers coverage at that level.
- Final Rule – Deferred to preamble of the proposed rule Patient Protection and Affordable Care Act; Establishment of Exchanges and Qualified Health Plans from last July.
 - In paragraph (b)(3), we provide flexibility for Exchanges and their SHOPs to choose additional ways for qualified employers to offer one or more plans to their employees. For example, **an Exchange may (1) allow employees to choose any QHP offered in the SHOP at any level;** (2) allow employers to select specific levels from which an employee may choose a QHP; (3) allow employers to select specific QHPs from different levels of coverage from which an employee may choose a QHP; or (4) allow employers to select a single QHP to offer employees. With respect to the fourth potential option, we believe that section 1312(f)(2)(B) of the Affordable Care Act may allow a qualified employer to select only a single QHP to make available to qualified employees.

Potential Challenges

- Establishment and stability
- Payment of premiums
- Minimum participation rules
- Employer reporting requirements
- Interaction of Essential Health Benefits and state benefit mandates

Unanswered Questions?

- SCOTUS case?
- Disruption of current small group market?
- Financial support for continued operation?
- Size and expansion?
- Other uncertainty?

Looking Forward

- Regulations – hurry up and wait
- Exchanges here to stay
 - State-run SHOP Exchange
 - Privately-run employer exchanges
- Information technology coordination
- Continue stakeholder consultation

Thank you

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